VICE PRESIDENT'S OFFICE
MAY
7
1923

SIXTY - NINTH

ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

OF THE

CHICAGO, BURLINGTON & QUINCY
RAILROAD COMPANY

TO THE

STOCKHOLDERS

FOR THE YEAR ENDED DECEMBER 31, 1922

FAITHORN COMPANY, CHICAGO

STRAWBOARDS
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SIXTY - NINTH

ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

OF THE

CHICAGO. BURLINGTON & QUINCY
RAILROAD COMPANY

TO THE

STOCKHOLDERS

FOR THE YEAR ENDED DECEMBER 31, 1922

THE CLEVELAND PUBLIC LIBRARY
X

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

DIRECTORS

WILLIAM W. BALDWIN	Chicago
RALPH BUDD	St. Paul
CLAUDE G. BURNHAM	Chicago
CHARLES DONNELLY	St. Paul
ROBERT J. DUNHAM	Chicago
HOWARD ELLIOTT	New York
LOUIS W. HILL	St. Paul
HALE HOLDEN	Chicago
ARTHUR CURTISS JAMES	New York
CHARLES E. PERKINS	Burlington
FREDERICK H. RAWSON	Chicago
OLIVER M. SPENCER	Chicago
CHARLES I. STURGIS	Chicago

EXECUTIVE COMMITTEE

HALE HOLDEN......Chairman

RALPH BUDD
CHARLES DONNELLY
HOWARD ELLIOTT
LOUIS W. HILL
CHARLES E. PERKINS
FREDERICK H. RAWSON

OFFICERS

HALE HOLDEN	*President and Chairman of Executive Committee, Chicago*
CLAUDE G. BURNHAM	*Executive Vice-President, Chicago*
WILLIAM W. BALDWIN	*Vice-President, Chicago*
EDWARD P. BRACKEN	*Vice-President, Chicago*
HARRY R. SAFFORD	*Vice-President, Chicago*
CONRAD E. SPENS	*Vice-President, Chicago*
CHARLES I. STURGIS	*Vice-President, Secretary and Treasurer, Chicago*
ANDREW T. WILLIAMS	*Assistant Secretary and Assistant Treasurer, Chicago*
EDITH JARVIS ALDEN	*Assistant Secretary and Transfer Agent, Chicago*
CARL J. ERNST	*Assistant Secretary and Assistant Treasurer, Omaha*
OLIVER M. SPENCER	*General Counsel, Chicago*
BRUCE SCOTT	*General Solicitor, Chicago*
EDWARD M. SHELTON	*Assistant to General Counsel, Chicago*
HERBERT W. JOHNSON	*Comptroller, Chicago*
HARRY D. FOSTER	*General Auditor, Chicago*
ALBERT W. NEWTON	*Chief Engineer, Chicago*
WILLIAM W. HENDERSON	*Transfer Agent, Chicago*
EDWARD T. NICHOLS	*Fiscal Agents, 32 Nassau St., New York*
NICHOLAS TERHUNE	
EUGENE A. BERNHOLZ	*Transfer Agents, 32 Nassau St., New York*
NICHOLAS STOCKHAMMER	
STATE STREET TRUST COMPANY	*Fiscal Agent and Transfer Agent, 33 State St., Boston*

SIXTY-NINTH ANNUAL REPORT

Chicago, January 2, 1923.

To the Stockholders of the Chicago, Burlington & Quincy Railroad Company:

The following is the report of your Board of Directors for the year ended December 31, 1922:

MILEAGE

MILEAGE OF ROAD OPERATED ON DECEMBER 31, 1922

STATE	Line owned			Operated under lease or contract	Total mileage operated
	Main line	Branches and spurs	Total		
Colorado	214.11	180.25	394.36	34.97	429.33
Illinois	946.06	745.04	1,691.10	113.85	1,804.95
Iowa	371.68	993.44	1,365.12	73.44	1,438.56
Kansas	12.71	246.55	259.26	.91	260.17
Minnesota	23.61	....	23.61	14.84	38.45
Missouri	593.59	528.68	1,122.27	13.19	1,135.46
Montana	134.38	....	134.38	49.45	183.83
Nebraska	1,364.44	1,485.09	2,849.53	22.37	2,871.90
South Dakota	48.88	229.74	278.62	....	278.62
Wisconsin	228.46	....	228.46	.53	228.99
Wyoming	572.71	121.08	693.79	29.64	723.43
Total	4,510.63	4,529.87	9,040.50	353.19	9,393.69

STATE	LINE OWNED					
	Miles of road	Second track	Third track	Fourth track	Yard track and sidings	Total
Colorado	394.36	.48	....	....	145.48	540.32
Illinois	1,691.10	477.06	42.40	5.41	1,121.94	3,337.91
Iowa	1,365.12	243.55	....	....	352.75	1,961.42
Kansas	259.26	....	....	....	25.42	284.68
Minnesota	23.61	....	2.25	....	39.91	65.77
Missouri	1,122.27	111.61	....	....	446.73	1,680.61
Montana	134.38	....	....	....	37.85	172.23
Nebraska	2,849.53	32.34	....	....	785.68	3,667.55
South Dakota	278.62	....	....	....	62.05	340.67
Wisconsin	228.46	130.52	....	....	76.34	435.32
Wyoming	693.79	3.66	....	....	251.13	948.58
Total	9,040.50	999.22	44.65	5.41	3,345.28	13,435.06

COMPARATIVE STATEMENT OF INCOME, YEARS ENDED DECEMBER 31

Percent of Ry. Oper. Rev.	1922	RAILWAY OPERATING REVENUES	1921	Percent of Ry. Oper. Rev.
73.61	$121,388,901.62	Freight	$122,716,630.31	72.74
17.21	28,380,103.84	Passenger	31,396,048.50	18.61
2.58	4,258,311.92	Mail	4,332,770.88	2.57
2.40	3,948,338.83	Express	3,630,851.56	2.15
2.46	4,059,086.27	All other transportation	3,725,991.29	2.21
1.49	2,461,743.16	Incidental	2,746,665.01	1.62
.25	419,984.90	Joint facility	163,310.60	.10
100.00	$164,916,470.54	Total railway operating revenues	$168,712,268.15	100.00
		RAILWAY OPERATING EXPENSES		
12.59	$20,769,379.25	Maintenance of way and structures	$ 22,917,767.47	13.58
21.67	35,735,413.56	Maintenance of equipment	34,290,506.03	20.32
1.37	2,267,367.08	Traffic	2,102,819.22	1.25
38.13	62,875,593.06	Transportation	63,564,016.74	37.68
1.03	1,693,321.01	Miscellaneous operations	1,734,740.90	1.03
2.59	4,277,202.73	General	4,637,991.86	2.75
.51Cr.	840,573.59	Transportation for investment—Credit	1,031,552.54	Cr. .61
76.87	$126,777,703.10	Total railway operating expenses	$128,216,289.68	76.00
23.13	$ 38,138,767.44	Net revenue from railway operations	$ 40,495,978.47	24.00
....	$ 10,890,006.82	Railway tax accruals	$ 9,718,567.64	....
....	31,338.17	Uncollectible railway revenue	25,057.02	....
....	$ 27,217,422.45	Railway operating income	$ 30,752,353.81	....
		NON-OPERATING INCOME		
....	$ 454,226.60	Hire of equipment	$ 614,094.15	....
....	522,937.85	Joint facility rent income	254,958.68	....
....	723,110.39	Miscellaneous rent income	921,057.50	....
....	2,366,498.67	Dividends and miscellaneous interest	2,124,948.48	....
....	380,626.11	Miscellaneous income	94,365.07#	....
....	$ 4,447,399.62	Total non-operating income	$ 4,009,423.88	....
....	$ 31,664,822.07	Gross income	$ 34,761,777.69	....
		DEDUCTIONS FROM GROSS INCOME		
....	$ 1,192,169.77	Hire of equipment	$ 1,212,423.86	....
....	1,850,243.59	Joint facility rents	1,263,975.74	....
....	121,296.17	Miscellaneous rents	77,864.43	....
....	8,119,271.00	Interest on funded debt	6,807,134.36	....
....	10,904.50	Interest on unfunded debt	5,991.66	....
....	95,474.06	Amortization of discount on funded debt	57,771.00	....
....	13,975.07	Miscellaneous income charges	Cr. 273,356.73#	....
....	$ 11,403,334.16	Total deductions from gross income	$ 9,151,804.32	....
....	$ 25,152,173.54	Net railway operating income (See table foot of page 33)	$ 29,145,007.04	....
....	$ 20,261,487.91	Net income	$ 25,609,973.37	....
		DISPOSITION OF NET INCOME		
....	$ 294,250.46	Sinking funds	$ 294,643.26	....
....	17,083,700.00	Dividends	19,300,382.00	....
....	$ 17,377,950.46	Total appropriations of income	$ 19,595,025.26	....
....	$ 2,883,537.45	Income balance transferred to profit and loss	$ 6,014,948.11	....

#Includes "Lap over" items credited and charged by Federal Administration.

CAPITALIZATION

CAPITAL STOCK

Number of shares	Total par value authorized and outstanding	Dividends declared during the year	
		Rate	Amount
1,708,370	$170,837,000.00	10%	$17,083,700.00
Scrip	2,100.00		
	$170,839,100.00		

The capital stock outstanding remained without change during the year.

FUNDED DEBT

In Treasury—		Actually outstanding	Interest accrued during year
Nominally issued	Actually issued and reacquired		
$9,873,000	$1,683,000	$203,200,000	$8,119,271.00

Funded debt actually outstanding increased during the year $29,580,700. This increase was in bonds issued and sold		$30,000,000
Less:		
Bonds purchased and held in the Treasury	$ 5,000	
Equipment Notes purchased and cancelled	404,000	
Bonds matured and paid	10,300	419,300
		$29,580,700

ACCRUED TAXES

	1922	1921	Increase or decrease
Colorado	$ 454,684.81	$ 485,161.37	Dec. $ 30,476.56
Illinois	2,324,841.07	1,883,452.65	Inc. 441,388.42
Iowa	1,252,138.70	1,044,678.61	Inc. 207,460.09
Kansas	138,502.82	120,983.96	Inc. 17.518.86
Minnesota	36,743.49	72,825.36	Dec. 36,081.87
Missouri	476,694.81	478,238.74	Dec. 1,543.93
Montana	149,565.55	125,896.04	Inc. 23,669.51
Nebraska	2,216,701.56	2,207,533.85	Inc. 9,167.71
South Dakota	170,964.53	222,095.61	Dec. 51,131.08
Wisconsin	480,206.27	476,871.11	Inc. 3,335.16
Wyoming	521,830.60	474,872.37	Inc. 46,958.23
Other States	35.15	785.66	Dec. 750.51
Total States	$8,222,909.36	$7,593,395.33	Inc. $629,514.03
United States Government	$2,667,097.46	$2,125,172.31	Inc. $541,925.15
Grand Total	$10,890,006.82	$9,718,567.64	Inc. $1,171,439.18

INVESTMENT IN ROAD AND EQUIPMENT DURING THE YEAR

ACCOUNT	New lines and extensions	Additions and betterments	Total
Engineering	Cr. $2,046.37	$225,021.47	$222,975.10
Land for transportation purposes	50.00	114,117.71	114,167.71
Grading	637.17	870,400.21	871,037.38
Tunnels and subways		28.17	28.17
Bridges, trestles and culverts	4,475.44	1,150,443.26	1,154,918.70
Elevated structures		167,308.09	167,308.09
Ties	3,307.08	346,906.55	350,213.63
Rails	374.38	382,217.76	382,592.14
Other track material	2,713.33	697,124.68	699,838.01
Ballast	214.81	296,219.52	296,434.33
Track laying and surfacing	4,483.57	122,616.65	127,100.22
Right-of-way fences	541.79	17,395.21	17,937.00
Snow and sand fences and snow sheds		302.55	302.55
Crossings and signs	442.35	264,446.80	264,889.15
Station and office buildings		1,251,355.76	1,251,355.76
Roadway buildings		22,755.17	22,755.17
Water stations		459,913.83	459,913.83
Fuel stations		86,012.92	86,012.92
Shops and enginehouses		438,316.81	438,316.81
Grain elevators		57,071.35	57,071.35
Telegraph and telephone lines		158,087.03	158,087.03
Signals and interlockers		460,129.90	460,129.90
Power plant buildings		86,267.94	86,267.94
Power transmission systems		1,978.96	1,978.96
Power distribution systems		11,521.34	11,521.34
Power line poles and fixtures		15,342.90	15,342.90
Miscellaneous structures		98,575.78	98,575.78
Paving		4,329.06	4,329.06
Roadway machines		72,654.52	72,654.52
Roadway small tools		10.00	10.00
Assessments for public improvements		235,985.42	235,985.42
Revenues and operating expenses during construction	Cr. 3,015.84		Cr. 3,015.84
Shop machinery		56,029.03	56,029.03
Power plant machinery		62,824.86	62,824.86
Underground conduits		Cr. 567.32	Cr. 567.32
Total expenditures for road	$12,177.71	$8,233,143.89	$8,245,321.60
Steam locomotives		$1,219,809.33	$1,219,809.33
Freight-train cars		7,572,022.15	7,572,022.15
Passenger-train cars		2,311,652.10	2,311,652.10
Floating equipment		Cr. 7,500.00	Cr. 7,500.00
Work equipment		21,143,30	21,143.30
Miscellaneous equipment		1,681.33	1,681,33
Total expenditures for equipment		$11,118,808.21	$11,118,808,21
Interest during construction		$7,212.51	$7,212.51
Total general expenditures		$7,212.51	$7,212.51
Grand Total	$12,177.71	$19,359,164.61	$19,371,342.32

EQUIPMENT

CLASS OF EQUIPMENT	Number on Dec. 31, 1921	Number added during year	Number retired during year	Number on Dec. 31, 1922	Average tractive power all locomotives and average capacity all freight cars
Steam locomotives	1,915	40	26	1,929	35,394
Freight-train cars:					
Box cars	29,447	2400	952	30,895	....
Flat cars	1,413	42	25	1,430	....
Stock cars	6,317	500	255	6,562	....
Coal cars	26,151	2146	273	28,024	....
Tank cars	337	....	....	337	....
Refrigerator cars	2,519	800	63	3,256	....
Caboose cars	785	....	9	776	....
Other freight-train cars	85	....	....	85	....
All classes of freight-train cars	67,054	5,888	1,577	71,365	42.16
Passenger-train cars:					
Coaches	666	50	1	715	....
Combination passenger cars	145	3	....	148	....
Other combination cars	104	10	1	113	....
Dining cars	44	10	....	54	....
Parlor cars	14	....	....	14	....
Baggage and express cars	251	8	2	257	....
Postal cars	47	22	5	64	....
Other passenger-train cars	28	....	....	28	....
All classes of passenger-train cars	1,299	103	9	1,393	....
Company service cars:					
Officers' and pay cars	31	....	....	31	....
Ballast cars	1,972	....	29	1,943	....
Derrick cars	27	....	....	27	....
Steam shovels	18	....	....	18	....
Wrecking cars	19	....	....	19	....
Other company service cars	2,801	80	133	2,748	....
All classes of company service cars	4,868	80	162	4,786	....
All classes of cars in service	73,221	6,071	1,748	77,544	....
Floating equipment:					
Steamboats and tugboats	3	1	1	3	....
Barges, car floats and canal boats	9	....	....	9	....
Other floating equipment	2	....	....	2	....
Total floating equipment	14	1	1	14	....

STATISTICS OF OPERATIONS

ITEM	1922	1921	Increase or decrease	
Average mileage of road operated (miles)	9,393.69	9,393.07	Inc.	.62
TRAIN-MILES				
Freight—ordinary	18,054,018	17,269,563	Inc.	784,455
" —light	198,145	158,853	Inc.	39,292
" —total	18,252,163	17,428,416	Inc.	823,747
Passenger*	17,470,583	17,945,402	Dec.	474,819
Mixed	639,837	639,548	Inc.	289
Special	24,857	25,921	Dec.	1,064
Total transportation service	36,387,440	36,039,287	Inc.	348,153
Work service	447,322	574,304	Dec.	126,982
LOCOMOTIVE-MILES				
Freight—principal	18,259,374	17,434,622	Inc.	824,752
" —helper	809,730	809,488	Inc.	242
" —light	958,479	875,255	Inc.	83,224
" —total	20,027,583	19,119,365	Inc.	908,218
Passenger—principal	17,422,441	17,904,522	Dec.	482,081
" —helper	174,453	125,708	Inc.	48,745
" —light	411,199	348,194	Inc.	63,005
" —total	18,008,093	18,378,424	Dec.	370,331
Mixed train—principal	639,869	639,642	Inc.	227
" " —helper	3,381	1,830	Inc.	1,551
" " —light	6,973	7,689	Dec.	716
" " —total	650,223	649,161	Inc.	1,062
Special—principal	24,857	25,921	Dec.	1,064
" —helper	2,470	1,574	Inc.	896
" —light	527	447	Inc.	80
" —total	27,854	27,942	Dec.	88

*Includes 48,142 motor-train miles in 1922, and 40,880 motor-train miles in 1921.

STATISTICS OF OPERATIONS—CONTINUED

ITEM	1922	1921	Increase or decrease	
LOCOMOTIVE-MILES—Continued				
Train switching	871,880	866,384	Inc.	5,496
Yard switching—freight	7,975,738	7,709,457	Inc.	266,281
" " —passenger	589,279	598,396	Dec.	9,117
" " —total	8,565,017	8,307,853	Inc.	257,164
Total transportation service	48,150,650	47,349,129	Inc.	801,521
Work service	825,296	988,669	Dec.	163,373
CAR-MILES				
Freight train—loaded	493,763,213	446,330,207	Inc.	47,433,006
" " —empty	259,445,860	275,491,104	Dec.	16,045,244
Sum of loaded and empty	753,209,073	721,821,311	Inc.	31,387,762
Freight train—caboose	17,186,852	17,054,102	Inc.	132,750
" " —exclusive work equipment	1,913,916	#	Inc.	1,913,916
" " —total	772,309,841	738,875,413	Inc.	33,434,428
Passenger train—passenger†	44,517,107	46,251,635	Dec.	1,734,528
" " —sleeping, parlor and observation	26,494,703	27,137,725	Dec.	643,022
" " —dining	4,763,278	4,959,391	Dec.	196,113
" " —other	39,374,525	39,710,647	Dec.	336,122
" " —total	115,149,613	118,059,398	Dec.	2,909,785
Mixed train—freight, loaded	2,319,431	2,059,145	Inc.	260,286
" " —freight, empty	880,805	951,889	Dec.	71,084
" " —caboose	3,524	3,564	Dec.	40
" " —exclusive work equipment	45,162	#	Inc.	45,162
" " —passenger	967,822	977,756	Dec.	9,934
" " —sleeping, parlor and observation	17,239	15,987	Inc.	1,252
" " —other passenger train	193,284	218,397	Dec.	25,113
" " —total	4,427,267	4,226,738	Inc.	200,529

†Includes 48,142 motor-car miles in 1922 and 40,880 **motor-car miles** in 1921.
#Included in empty car-miles.

Special train—freight, loaded	280,505	299,869	Dec.	19,364
" " —freight, empty	32,411	14,708	Inc.	17,703
" " —caboose	24,955	25,661	Dec.	706
" " —passenger	107,679	119,397	Dec.	11,718
" " —other passenger train				
" " —total	445,550	459,635	Dec.	14,085
Total transportation service	892,332,271	861,621,184	Inc.	30,711,087
Work service	1,525,531	1,983,029	Dec.	457,498

FREIGHT SERVICE

Tons—revenue freight	39,176,051	36,116,089	Inc.	3,059,962
" —non-revenue freight	8,451,008	9,909,593	Dec.	1,458,585
" —total	47,627,059	46,025,682	Inc.	1,601,377
Ton miles—revenue freight	11,754,595,862	10,554,788,351	Inc.	1,199,807,511
" " —non-revenue freight	1,839,884,738	2,263,954,949	Dec.	424,070,211
" " —total	13,594,480,600	12,818,743,300	Inc.	775,737,300

PASSENGER SERVICE

Passengers carried—revenue	18,735,077	19,836,081	Dec.	1,101,004
Passenger miles—revenue	941,748,451	999,701,152	Dec.	57,952,701

REVENUES AND EXPENSES

Freight revenue	$121,388,901.62	$122,716,630.31	Dec.	$ 1,327,728.69
Passenger revenue	28,380,103.84	31,396,048.50	Dec.	3,015,944.66
Passenger service train revenue	38,100,458.13	41,028,848.24	Dec.	2,928,390.11
Operating revenues	$164,916,470.54	$168,712,268.15	Dec.	$ 3,795,797.61
" expenses	126,777,703.10	128,216,289.68	Dec.	1,438,586.58
Net operating revenues	$ 38,138,767.44	$ 40,495,978.47	Dec.	2,357,211.03

STATISTICS OF OPERATIONS—CONTINUED

ITEM	1922	1921	Increase or decrease	
AVERAGES PER MILE OF ROAD				
Freight-train miles	1,943	1,855	Inc.	88
Passenger-train miles	1,860	1,911	Dec.	51
Mixed-train miles	68	68		. .
Special-train miles	3	3		. .
Transportation service train-miles	3,874	3,837	Inc.	37
Work-train miles	48	61	Dec.	13
Locomotive-miles—transportation	5,126	5,041	Inc.	85
Freight service car-miles	82,598	79,019	Inc.	3,579
Passenger service car-miles	12,395	12,711	Dec.	316
Freight revenue	$12,922.39	$13,064.59	Dec.	$ 142.20
Passenger service train revenue	$ 4,055.96	$ 4,367.99	Dec.	$ 312.03
Operating revenues	$17,556.09	$17,961.35	Dec.	$ 405.26
" expenses	$13,496.05	$13,650.09	Dec.	$ 154.04
Net operating revenues	$ 4,060.04	$ 4,311.26	Dec.	$ 251.22
Ton-miles—revenue freight	1,251,329	1,123,678	Inc.	127,651
" " —all freight	1,447,193	1,364,702	Inc.	82,491
Passenger-miles—revenue	100,253	106,430	Dec.	6,177
AVERAGES PER TRAIN-MILE				
Loaded freight car-miles—freight trains	27.05	25.61	Inc.	1.44
" " " —mixed trains	3.63	3.22	Inc.	.41
Empty " " —freight trains	14.21	15.81	Dec.	1.60
" " " —mixed trains	1.38	1.49	Dec.	.11
Ton-miles—revenue freight	628.82	591.09	Inc.	37.73
" —all freight	727.25	717.87	Inc.	9.38
Passenger train car-miles—passenger trains	6.59	6.58	Inc.	.01
" " " —mixed trains	1.84	1.90	Dec.	.06
Revenue passenger-miles	53.30	55.06	Dec.	1.76
Freight revenue	$6.49	$6.87	Dec.	$0.38

Passenger service train revenue	$ 2.16	$ 2.26	Dec.	$ .10
Operating revenues	$ 4.53	$ 4.68	Dec.	$ .15
" expenses	$ 3.48	$ 3.56	Dec.	$ .08
Net operating revenues	$ 1.05	$ 1.12	Dec.	$ .07
AVERAGES PER LOCOMOTIVE-MILE				
Train-miles—freight trains	.91	.91		..
Car-miles—freight trains	38.56	38.65	Dec.	.09
Train-miles—passenger trains	.97	.98	Dec.	.01
Car-miles—passenger trains	6.39	6.42	Dec.	.03
Train-miles—mixed trains	.98	.99	Dec.	.01
Car-miles—mixed trains	6.81	6.51	Inc.	.30
Train-miles—special trains	.89	.93	Dec.	.04
Car-miles—special trains	16.00	16.45	Dec.	.45
AVERAGES PER LOADED FREIGHT CAR-MILE				
Ton-miles—revenue freight	23.69	23.54	Inc.	.15
" " —all freight	27.40	28.59	Dec.	1.19
Freight revenue	$ .24469	$ .27368	Dec.	$ .02899
AVERAGES PER CAR-MILE—PASSENGER				
Passenger-miles—revenue	13.08	13.44	Dec.	.36
Passenger revenue	$ .39418	$ .42209	Dec.	$ .02791
MISCELLANEOUS AVERAGES				
Miles hauled—revenue freight	300.05	292.25	Inc.	7.80
" " —non-revenue freight	217.71	228.46	Dec.	10.75
" " —all freight	285.43	278.51	Inc.	6.92
Miles carried—revenue passengers	50.27	50.40	Dec.	.13
Revenue per ton of freight	$3.09856	$3.39784	Dec.	$ .29928
" " ton-mile of freight	$ .01033	$ .01163	Dec.	$ .00130
" " passenger	$1.51481	$1.58277	Dec.	$ .06796
" " passenger-mile	$ .03014	$ .03141	Dec.	$ .00127
Operating ratio	76.87%	76.00%	Inc.	.87

REVENUE FREIGHT CARRIED DURING THE YEAR

	COMMODITY	REVENUE FREIGHT ORIGINATING ON THIS ROAD		REVENUE FREIGHT RECEIVED FROM CONNECTING CARRIERS		TOTAL REVENUE FREIGHT CARRIED		Percent of whole
		Number of carloads	Number of tons (2,000 Lbs.)	Number of carloads	Number of tons (2,000 Lbs.)	Number of carloads	Number of tons (2,000 Lbs.)	
Products of Agriculture	Wheat	56,650	2,356,558	6,073	246,609	62,723	2,603,167	6.65
	Corn	56,195	2,269,766	7,374	298,481	63,569	2,568,247	6.56
	Oats	13,220	406,909	5,202	172,051	18,422	578,960	1.48
	Other grain	3,827	141,403	873	28,803	4,700	170,206	.43
	Flour and meal	26,804	698,982	7,053	179,580	33,857	878,562	2.24
	Other mill products	20,150	453,874	3,659	81,667	23,809	535,541	1.37
	Hay, straw and alfalfa	14,540	179,965	3,690	47,671	18,230	227,636	.58
	Tobacco	281	3,489	100	1,466	381	4,955	.01
	Cotton	66	1,021	779	10,827	845	11,848	.03
	Cotton seed and products, except oil	52	958	347	8,029	399	8,987	.02
	Citrus fruits	67	738	1,495	23,828	1,562	24,566	.06
	Other fresh fruits	3,828	54,168	14,304	214,597	18,132	268,765	.69
	Potatoes	4,314	73,885	15,604	286,436	19,918	360,321	.92
	Other fresh vegetables	805	10,917	2,767	37,232	3,572	48,149	.12
	Dried fruits and vegetables	193	3,668	991	29,505	1,184	33,173	.08
	Other products of agriculture	16,755	737,271	3,990	105,971	20,745	843,242	2.15
	Total	217,747	7,393,572	74,301	1,772,753	292,048	9,166,325	23.39
Animals and Products	Horses and mules	3,754	42,726	891	10,472	4,645	53,198	.14
	Cattle and calves	89,349	1,048,913	13,675	171,990	103,024	1,220,903	3.12
	Sheep and goats	8,718	78,627	3,846	41,224	12,564	119,851	.31
	Hogs	83,490	763,049	5,907	59,022	89,397	822,071	2.10
	Fresh meats	16,621	220,292	518	6,831	17,139	227,123	.58
	Other packing house products	7,601	135,294	490	8,109	8,091	143,403	.37
	Poultry	2,209	24,351	2,140	22,202	4,349	46,553	.12
	Eggs	4,817	53,993	1,157	13,345	5,974	67,338	.17
	Butter and cheese	2,717	34,173	1,673	22,081	4,390	56,254	.14
	Wool	638	8,545	504	7,903	1,142	16,448	.05
	Hides and leather	1,057	21,840	286	5,580	1,343	27,420	.07
	Other products of animals	1,111	22,076	1,246	28,766	2,357	50,842	.13
	Total	222,082	2,453,879	32,333	397,525	254,415	2,851,404	7.30

Products of Mines	Anthracite coal	167	6,470	872	34,551	1,039	41,021	.10
	Bituminous coal	170,980	8,339,973	56,333	2,517,632	227,313	10,857,605	27.71
	Coke	3,803	107,158	3,209	92,894	7,012	200,052	.51
	Iron ore	....	....	5,403	299,414	5,403	299,414	.76
	Other ores and concentrates	55	2,022	700	29,040	755	31,062	.08
	Base bullion and matte	13	464	1,308	57,287	1,321	57,751	.15
	Clay, gravel, sand and stone	49,048	2,356,267	10,454	455,272	59,502	2,811,539	7.18
	Crude petroleum	6,924	232,574	4,752	171,216	11,676	403,790	1.03
	Asphaltum	75	2,412	1,163	40,705	1,238	43,117	.11
	Salt	312	6,554	5,135	124,408	5,447	130,962	.33
	Other products of mines	212	7,892	539	20,629	751	28,521	.07
	Total	231,589	11,061,786	89,868	3,843,048	321,457	14,904,834	38.03
Products of Forests	Logs, posts, poles and cordwood	3,543	81,636	4,718	111,108	8,261	192,744	.49
	Ties	889	23,384	711	22,535	1,600	45,919	.12
	Pulpwood	....	....	1	19	1	19	....
	Lumber, timber, box shooks, staves and headings	6,066	134,641	63,686	1,671,681	69,752	1,806,322	4.62
	Other products of forests	301	6,951	516	10,467	817	17,418	.04
	Total	10,799	246,612	69,632	1,815,810	80,431	2,062,422	5.27
Manufactures and Miscellaneous	Refined petroleum and its products	52,693	1,463,821	31,840	869,305	84,533	2,333,126	5.96
	Vegetable oils	304	7,681	400	11,564	704	19,245	.05
	Sugar, syrup, glucose and molasses	7,925	259,813	5,751	198,692	13,676	458,505	1.17
	Boats and vessel supplies	....	....	3	30	3	30	....
	Iron, pig and bloom	1,076	44,749	2,134	95,832	3,210	140,581	.36
	Rails and fastenings	369	12,742	1,859	74,996	2,228	87,738	.22
	Bar and sheet iron, structural iron and iron pipe	3,818	94,581	13,674	466,881	17,492	561,462	1.43
	Other metals, pig, bar and sheet	1,816	55,289	1,993	74,361	3,809	129,650	.33
	Castings, machinery and boilers	4,724	78,619	2,955	59,174	7,679	137,793	.35
	Cement	23,879	889,226	4,580	170,595	28,459	1,059,821	2.71
	Brick and artificial stone	9,606	314,376	4,126	132,138	13,732	446,514	1.14
	Lime and plaster	2,563	65,834	3,103	69,371	5,666	135,205	.34
	Sewer pipe and drain tile	4,645	81,825	849	16,048	5,494	97,873	.25
	Agricultural implements and vehicles other than automobiles	6,741	94,823	2,162	30,970	8,903	125,793	.31

REVENUE FREIGHT CARRIED DURING THE YEAR—CONTINUED

COMMODITY		Revenue freight originating on this road		Revenue freight received from connecting carriers		Total revenue freight carried		Percent of whole
		Number of carloads	Number of tons (2,000 Lbs.)	Number of carloads	Number of tons (2,000 Lbs.)	Number of carloads	Number of tons (2,000 Lbs.)	
Manufactures and Miscellaneous—Continued	Automobiles and autotrucks	7,224	42,253	8,748	59,736	15,972	101,989	.26
	Household goods and second hand furniture	3,823	39,090	1,748	18,173	5,571	57,263	.15
	Furniture (new)	2,082	19,593	2,870	27,050	4,952	46,643	.12
	Beverages	1,230	21,495	205	3,656	1,435	25,151	.06
	Ice	4,544	144,029	30	802	4,574	144,831	.37
	Fertilizers (all kinds)	2,286	55,422	379	10,771	2 665	66 193	.17
	Paper, printed matter and books	267	5,903	2,519	63,595	2,786	69,498	.18
	Chemicals and explosives	3,243	73,327	2,961	91,210	6,204	164,537	.42
	Textiles	136	2,291	1,038	14,228	1,174	16,519	.04
	Canned goods (all canned food products)	2,026	42,479	3,030	81,033	5,056	123,512	.32
	Other manufactures and miscellaneous	43,972	850,527	28,928	597,691	72,900	1,448,218	3.70
	Total	190,992	4,759,788	127,885	3,237,902	318,877	7,997,690	20.41
	Grand Total, Carload Traffic	873,209	25,915,637	394,019	11,067,038	1,267,228	36,982,675	94.40
Merchandise—	All L. C. L. freight	....	1,520,817	....	672,559	....	2,193,376	5.60
	Grand Total, all commodities	873,209	27,436,454	394,019	11,739,597	1,267,228	39,176,051	100.00

CAPITALIZATION

CAPITAL STOCK:

The Capital Stock outstanding remained without change during the year.

Of the total amount outstanding	$170,839,100

$2,100 was represented by fractional stock scrip convertible, in multiples of $100, into full shares. This scrip is not entitled to vote or to receive dividends until so converted.

Dividends paid during the year and charged to Income for the year were:

June 26, 1922, 5% on $170,837,000	$ 8,541,850
December 26, 1922, 5% on 170,837,000	8,541,850
Total charged to Income for the year	$ 17,083,700

FUNDED DEBT:

On December 31, 1921, the Funded Debt outstanding in the hands of the public was	$173,619,300

During the year 1922 the following changes were made:

By issuance of First and Refunding Mortgage 5% Bonds, Series A, maturing February 1, 1971		$30,000,000	
By the purchase of Nebraska Extension Mortgage Sinking Fund Bonds of 1927	$ 5,000		
By the retirement of Equipment Gold Notes maturing January 15, 1922	404,000		
By the retirement of Denver Extension Sinking Fund Bonds of 1922, maturing February 1, 1922	10,300	419,300	
Total addition			$ 29,580,700
On December 31, 1922, the Funded Debt outstanding in the hands of the public was			$203,200,000

GENERAL OPERATIONS

REVENUES:

Total Operating Revenues for 1922	$164,916,470.54	
Total Operating Revenues for 1921	168,712,268.15	
Decrease	$ 3,795,797.61—	2.25%

This decrease was made up as follows:

Freight	Decreased	$1,327,728.69—	1.08%
Passenger	Decreased	3,015,944.66—	9.61%
Mail	Decreased	74,458.96—	1.72%
Express	Increased	317,487.27—	8.74%
Switching	Increased	476,415.74—	24.19%
Other transportation	Decreased	143,320.76—	8.16%
Incidental operating	Decreased	28,247.55—	.97%
Net Decrease		$3,795,797.61—	2.25%

REVENUES—Continued

The decrease in freight revenue was due to a decrease of 13 per cent in the rates on wheat, and 21 per cent on corn and other coarse grains, and 10 per cent on livestock; also 10 per cent on hay, fruits and vegetables effective January 1, 1922; and to a general reduction of approximately 10 per cent in freight rates (excepting those covering grain, livestock, fruits, vegetables and hay) effective July 1, 1922. Had it not been for these reductions there would have been a considerable increase in freight revenue as the total revenue tons one mile increased 11.37 per cent. Freight revenue was also adversely affected during the coal strike which lasted from April to August, inclusive; for instance, the earnings on soft coal in the five months, April to August, inclusive, in 1922 were $2,197,479 as compared with $9,180,369 for the same period in 1921, or a decrease in 1922 of $6,982,890.

The reduction in passenger revenue was due to a reduction in number of passengers carried. There was no change in basic passenger rates, but tourist rates were somewhat lower in 1922 than in 1921.

The reduction in mail revenue was due to curtailment of space in postal cars.

The increase in express revenue was brought about by reductions in expenses of the Express Company, due to cooperation of the railroads with the Express Company, resulting in an increased net revenue for division under the uniform contract with the Express Company.

Switching rates were reduced 10 per cent, effective July 1, 1922, but this reduction was more than offset by an increase in the volume of switching business.

A comparison of tonnage by commodities with 1921 shows increases:

Farm Products	319,191 tons	3.61%
Animals and Products	314,083 tons	12.38%
Mine Products	35,302 tons	.24%
Forest Products	382,897 tons	22.80%
Manufactured Products	1,833,121 tons	29.74%
Less-than-carload Tonnage	175,368 tons	8.69%
Total tonnage increased	3,059,962 tons	8.47%

A comparison of carloads shows:

Total cars (all commodities) in 1922	1,267,228 cars	
Total cars (all commodities) in 1921	1,138,140 cars	
Increase in 1922	129,088 cars	11.34%

The increases shown above reflect the improvement in business conditions in 1922 as compared with 1921. Had it not been for the coal strike April to August, inclusive, the tonnage of mine products would have shown a much larger increase.

A summary of tonnage by commodities carried during 1922 is shown on pages 14 to 16, inclusive.

OPERATING STATISTICS:

Tons of revenue freight carried—1922	39,176,051	
Tons of revenue freight carried—1921	36,116,089	
Increase	3,059,962—	8.47%
Revenue tons one mile—1922	11,754,595,862	
Revenue tons one mile—1921	10,554,788,351	
Increase	1,199,807,511—	11.37%
Revenue tons per train mile—1922	628.82	
Revenue tons per train mile—1921	591.09	
Increase	37.73—	6.38%
Revenue tons per loaded car—1922	23.69	
Revenue tons per loaded car—1921	23.54	
Increase	.15—	.64%
Revenue passengers carried—1922	18,735,077	
Revenue passengers carried—1921	19,836,081	
Decrease	1,101,004—	5.55%
Revenue passengers carried one mile—1922	941,748,451	
Revenue passengers carried one mile—1921	999,701,152	
Decrease	57,952,701—	5.80%
Average distance carried—revenue passengers—1922	50.27	
Average distance carried—revenue passengers—1921	50.40	
Decrease	.13—	.26%

Operating Statistics are shown in detail and in comparative form on pages 9 to 13, inclusive.

EXPENDITURES (OPERATING):

Total operating expenses—1922	$126,777,703.10	
Total operating expenses—1921	128,216,289.68	
Decrease	$ 1,438,586.58—	1.12%

The reduction in Operating Expenses was brought about by a continuation of the policy of rigid economy in all departments and would have been considerably greater had it not been for the large increase in cost of fuel consumed by locomotives due to high prices resulting from the coal strike April to August, inclusive, to the large payments of freight rates on foreign lines, and expense of longer haul on our own rails, on coal, bought to maintain our supply, from Alabama, Kansas and Southern Colorado; and also to the expense involved in connection with the shopmen's strike on July 1st, which, for some weeks after that date, seriously interferred with economical operation.

The operating ratio was 76.87, as compared with 76.00 in 1921 and 88.52 in 1920. Had it not been for the reduction in rates which brought about a reduction in revenue and the extraordinary expenses in connection with the coal strike and the shopmen's strike, there would have been a further reduction in the operating ratio in 1922.

A statement of Operating Expenses in detail is shown on pages 42 to 46, inclusive.

EXPENDITURES (CAPITAL):

There was expended during the year, chargeable to Capital Account:

For road	$ 8,245,321.60
For equipment	11,118,808.21
For general	7,212.51
Total	$19,371,342.32

Capital expenditures were made with a view to improving existing lines, and promoting safety, efficiency and service. No new lines or extensions were constructed.

The Chicago Union Station Company continued work and satisfactory progress was made with the Headhouse, including construction of foundations, which work is practically completed and ready for steel erection. Contracts for all steel and stone work required for the Headhouse were let during the year. All this material is now being fabricated and will shortly be erected on the completed foundations. The large Railway Mail Building was completed and occupied by the Government and the railroads on December 1st. New viaducts were built at Van Buren Street and Madison Street and a good portion of the widening of Canal Street was carried on at the same time, together with a large proportion of new tracks and platforms in the south end of the station layout. In spite of the considerable delay in the delivery of steel, it is now felt that the Station Company will be able to complete the main station building by the summer of 1924, so as to accommodate its tenants by that time.

Construction of the new inbound freight house at Harrison Street, Chicago, mentioned in last year's report, was nearing completion at the end of the year and will be ready for occupancy in April, 1923. There was expended on this project during the year, including house tracks, team tracks and related facilities, $727,221.54, chargeable to Capital Account. This project, when completed, will furnish much needed freight handling capacity of modern design and conveniently located with reference to the commercial center of the City.

At Aurora, Illinois, the elevation of tracks through the city was completed and put in service in November. New passenger station and new freight house in connection with this improvement were well advanced and will be completed early in 1923. There was expended on this project during the year $1,050,955.55 chargeable to Capital Account. As a result of this track elevation there has been a very gratifying improvement in the operation through Aurora of trains in both passenger and freight service, and at the same time the City is receiving the benefits of this noteworthy improvement in the way of grade separation through the business district.

EXPENDITURES (CAPITAL)—Continued

At Eola, Illinois, there was begun the construction of a centralized plant for scrap storage and for reclaiming and renewing salvage material of all kinds. The total estimated capital cost is $259,306.00, of which $55,750.91 was expended in 1922.

Construction of large locomotive repair shops at Denver, Colorado, at an estimated cost of $2,301,767, was begun and is being rapidly pushed to completion, the expenditures for the year amounting to $333,329.55. These shops will serve the Colorado and Southern Lines as well as the Burlington, and will provide much needed facilities in that territory, and furnish relief to the shops at Havelock, Nebraska.

Modern passenger stations at Mitchell, Nebraska, and Hardin, Montana, were completed at a cost of $25,037.09 and $22,252.79, respectively.

At Burlington, Iowa, an addition to present freight house was constructed at an expenditure of $23,937.22.

Construction of new power plant for locomotive terminal at Alliance, Nebraska, was undertaken and will be completed early in 1923; expenditures for the year amounting to $26,430.34 were charged to Capital Account.

A 6 stall roundhouse at Rock Island, Illinois, was practically completed at a cost of $35,683.44.

Additions to shop power plants at Creston, Iowa, costing $15,445.60, at Plattsmouth, Nebraska, costing $25,128.81, and at McCook, Nebraska, costing $41,983.97, were completed and put into service.

A 150 ton coal chute was completed at Bridgeport, Nebraska, at a cost of $38,752.94, a 100 ton coal chute at Fairmont, Nebraska, at a cost of $10,772.96 and a clinker pit at Lincoln, Nebraska, at a cost of $22,994.24.

A 5000 ton ice house at Grand Crossing, Wisconsin, and a 1500 ton ice house at Sheridan, Wyoming, were completed at a cost of $30,206.18 and $9,398.45, respectively.

Capacity of our tie treating plant at Sheridan, Wyoming, was increased by installing an additional retort at a cost of $37,576.03.

Construction of a 900,000,000 gallon reservoir at Galesburg, Illinois, was undertaken during the year, owing to increasing demands and frequent shortage of suitable water at that important terminal. This project was well advanced at the end of the year and will be completed in the spring of 1923. There was expended during the year on this work, $237,067.80, chargeable to Capital Account.

A plant for treating water for locomotive use and other purposes at Lincoln, Nebraska, was completed and put into service; the total cost being $29,358.84.

EXPENDITURES (CAPITAL)—Continued

A new depot and extensive additions to yard facilities at Zeigler, Illinois, were completed at a total cost of $55,646.27.

A spur track 12 miles long from Hardin, Montana, north, for sugar beet loading, was completed at a cost of $203,183.99.

At Brookhurst, near Casper, Wyoming, extensive yard facilities were constructed at a total cost of $67,711.80, this improvement being made necessary by expanding oil business at that point.

In continuation of the program for double-tracking the line from Galesburg to Herrin, Illinois, to the Southern Illinois coal fields, additional second track was constructed between Walshville and Sorento, Illinois, 5.91 miles, and between Waltonville and Sessor, Illinois, 9.66 miles, at a cost of $366,528.43.

The double main track between Beardstown and Frederick, Illinois, was badly washed out in the Spring by exceptionally high water in the Illinois River and the breaking of drainage district levees, and all traffic was interrupted for eight days. In repairing the damage it was decided to raise these important tracks above high water level and strengthen the embankment. This work was completed except raising the second main track to the final grade, which it is expected will be done in 1923. The expenditures on this work during the year amounted to $140,424.04, of which $77,119.71 was chargeable to Capital Account.

Additional bank protection along the Missouri River at Nodaway, Missouri, and Folsom, Iowa, was constructed at a capital cost of $17,125.72.

Continuing the established practice of replacing temporary pile trestle bridges with permanent structures on important lines, there was expended for this purpose during the year $401,318.67, of which $323,741.60 was chargeable to Capital Account.

The program of extending automatic signal protection was carried out during the year, 59.32 miles of new automatic block signals having been completed and placed in operation and 124.07 additional miles being under construction, to be completed early in 1923; the total capital expenditures for the year on this work being $303,894.64.

There was laid in replacement, during the year in main track 266.57 miles of new 90-lb. and 100-lb. rail, and 130.44 miles of second-hand rail, the capital expenditures for this purpose amounting to $105,169.93 for the year.

EXPENDITURES (CAPITAL)—Continued

There were delivered during the year, 32 freight and 8 passenger locomotives, also the following steel passenger cars and freight and Company service equipment:

5 Chair cars
42 Coaches
10 Dining cars
22 Mail cars
10 Mail and baggage cars
1 Passenger and baggage car
3 Baggage cars
1500 Box cars
400 Automobile cars
500 Stock cars
2000 Coal cars
800 Refrigerator cars
2 Motor cars
2 Ballast spreaders
1 Locomotive crane
1 Railroad ditcher
1 Drag line scraper

Delivery will be made in 1923 of 100 automobile cars and 200 refrigerator cars to complete unfilled orders.

In addition to the above, 60 freight locomotives were ordered for delivery in 1923.

VALUATION:

The work under the Federal Valuation Act of March 1, 1913, was continued during the year, with reduced forces. The total expenditures on account of valuation to December 31, 1922 were $3,157,983.40. The greater part of the expense during 1922 was for the replacing of records destroyed in the Chicago General Office building fire of March, 1922 and in preparing replies to preliminary Engineering, Land and Accounting Reports of the Government's Bureau of Valuation. Practically all field work has now been done and the remaining work is the placing in final form of certain records destroyed by the fire and such other data as might be required in any future review of valuation work and such preparation as may be necessary to meet the final value when served by the Commission.

INDUSTRIAL:

There were constructed and extended, during the year, industrial tracks as follows:

	New Tracks	Extensions
On Lines East of the Missouri River	24	7
On Lines West of the Missouri River	11	4
Total	35	11

The number of new industrial leases made during the year reflects a gradual expansion in business throughout all our territory, there being two hundred and eighty-three new industrial leases executed during the year. Ninety-seven important industrial plants were located upon the railroad during the year and twelve existing industries made material additions to their plants.

The report for 1921 mentioned the good progress being made in oil projects and this was continued. One refinery was built and arrangements were made with two other companies for handling a large volume of oil from the Salt Creek field.

AGRICULTURAL:

The unsatisfactory condition of the farming business during the year was responsible for a 16 per cent reduction in the number of inquiries for farm lands and opportunities. However, 687 carloads of emigrants' effects were received on the Alliance, Casper, McCook, Sheridan and Sterling divisions as compared with 595 in 1921. Thirteen hundred and thirty individuals filed on 840,000 acres of vacant Government land in Wyoming, as compared to eighteen hundred individual filings on 915,000 acres in 1921. The Government classification shows more than 4,000,000 acres of homestead land yet unappropriated. No new Government irrigated homesteads for soldiers were opened and no new private irrigation projects undertaken, yet there are more than 1,000,000 acres of lands available for irrigation in Wyoming awaiting development.

A large number of agricultural meetings were attended. Several thousand copies of bulletins, circular letters and news articles were distributed to stimulate the dairy industry, diversified farming and general land settlement, the building of silos and potato storage cellars, the better use of pastures and the more careful selection of seeds. Two hundred head of high grade dairy cows were shipped from Wisconsin into our territory west of the Missouri River to be used as foundation stock and forty potato storage cellars were built in that territory which will help reduce demand for cars at harvest time. Twenty carloads of seeds and feed stuffs were transferred through the marketing service.

PENSION DEPARTMENT:

The Pension Plan has been in operation one year and it appears from the many expressions of loyalty and appreciation of the pension allowances, that its establishment has been of substantial benefit to the employees.

The work of the Pension Department was seriously hampered by the fire of March 15th, which destroyed most of the records. Consequently it has been difficult to ascertain with fairness, the exact service record, but the employees generally recognize the fact that every effort has been made in their behalf.

Total number of retired employees carried on pensions and gratuity rolls, December 31, 1922	579
Number added to roll during the year 1922	345
Number of deaths during the year	54
Total disbursements during year, pensions, gratuties and expenses	$303,934.87

GENERAL:

In the early morning hours of March 15th, the upper six floors of the General Office Building, in Chicago, were burned out and the lower floors much damaged by water. The fire originated in adjoining property and came through the windows of our building but, notwithstanding the intense heat engendered by the burning records and other papers, the fire-proofing saved the frame of the structure from damage. The work of rehabilitation was practically completed by the end of the year, at a cost of about $1,265,000, of which $727,227.34 was collected on insurance, $460,000 charged against the Company's own insurance fund, $75,000 charged to Operating Expenses and the small balance remaining charged to Capital Account.

Progress has been made toward adjustment with the United States Government for the so-called Guaranty Period, under Section 209 of the Transportation Act, 1920, and it is expected that final settlement will be reached before the end of 1923.

During the year negotiations were had looking to the sale, by The Nashville, Chattanooga & St. Louis Railway and your Company, to the Illinois Central Railroad Company of a one-third interest in the

GENERAL—Continued

Paducah & Illinois Railroad Company and a contract was signed on January 10, 1923. That contract will become effective on approval by the Interstate Commerce Commission.

During the year the Interstate Commerce Commission entered upon formal hearings, as required by the Transportation Act, 1920, for the object of determining a plan for grouping the railroads of the United States into a limited number of systems for purposes of consolidation. After consideration of the whole subject, your Board of Directors instructed the officers of the Company to co-operate with representatives of the Great Northern Railway Company, Northern Pacific Railway Company and The Colorado and Southern Railway Company in an endeavor to secure approval of the Commission of the grouping of the lines of those companies with those of this company, for the purpose of ultimate consolidation into a single system. Officers of your Company have appeared before the Commission in pursuance to these instructions and it is expected that the further hearings by the Commission relating to this subject will be concluded and that the final plan required by the law will be announced during the year 1923.

Your Board of Directors views with anxiety and concern the growing tendency in some quarters to criticise the Transportation Act, 1920 and the efforts by legislation to repeal essential provisions of it and thereby impair this constructive regulatory law. Thoughtful and fair-minded people have uniformly characterized this law as the first piece of constructive legislation, as distinguished from repressive regulation, that has appeared upon the statute books. It contains no guarantee of earnings, nor other artificial measures of protection to the vast investments in railroad properties throughout the country, but for the first time it did announce as a national policy that under reasonable rates and fares the railroads were entitled to an average rate structure calculated to enable them under honest, efficient and economical management to earn a fair return.

Three years have elapsed since the railroads were returned by the Federal Government to their corporate owners for operation and since

GENERAL—Continued

the Transportation Act, 1920 took effect. Recurring economic disturbances throughout this period of three years have made it impossible for this necessary and constructive piece of legislation to have had a fair trial. Sharp changes in the volume of traffic, increases in rates of wages, decreases in freight rates, unfortunate strikes by railroad labor and in the coal mining industry, seriously affecting expenses of operation, and continued high cost of materials and supplies have all contributed to a confused and variable set of conditions which have made the problems of management perhaps more difficult than ever before in the history of the railroads. These conditions offer no temperate basis for criticism of this important legislation. Nevertheless, the singular tendency has developed in some quarters to charge many of the distressing ills arising out of the troublesome period of economic reconstruction throughout the country to the operation of this law, and a curious and alarming impatience with the railroads has developed in the minds of many because the railroads have not been able, by some sort of miracle or otherwise, more rapidly to readjust their economic problems than other forms of industry throughout the country.

In consequence a growing tendency has appeared, born of these impatient conditions, for direct legislation relating to most of the important features of railroad regulation, instead of relying upon our established method of administering these intricate matters through the expert and experienced proceedings and judgment of the Interstate Commerce Commission. If this tendency brings about the enactment of drastic legislation that is pending, the results will not only be harmful to the continued development of the railroads and to the security of vast investments held by the public in them, but also will seriously impair the value of the entire scheme of regulation and the quasi-judicial methods of decision of the intricate and technical questions involved in the current adjustment of the rights and obligations of the railroads as well as the users of the transportation of the country.

Your Board of Directors believes that the Transportation Act, 1920, should have a further trial, without substantial amendment, over a reasonable period of more normal conditions before further legislation is attempted, asserting that the excellent record made by the railroads

GENERAL—Continued

in 1922, in spite of the adverse results from the strikes in that year, demonstrates that the railroads are rapidly mastering the problems inherited from the war period and that with reasonable patience on the part of the public and a fair period of quiet, which will enable them to devote their best efforts to the public service, more rapid return to a lower scale of charges and normal conditions of service will result than through any other method.

Following herewith is the report of the Comptroller.

By order of the Board of Directors.

HALE HOLDEN,
President.

REPORT OF THE COMPTROLLER

To the Directors of the Chicago, Burlington & Quincy Railroad Company:

The following statements are herewith submitted:

General balance sheet
Income account
Funded debt
Description of funded debt
Operating revenues and expenses

HERBERT W. JOHNSON,
Comptroller.

Chicago, January 2, 1923.

GENERAL BALANCE SHEET

December 31, 1922

ASSETS

Investments:		
Investment in road and equipment:		
Road	$ 421,295,692.87	
Equipment	112,681,783.62	
General expenditures	1,154,333.72	$535,131,810.21
Deposits in lieu of mortgaged property sold		57,953.96
Miscellaneous physical property		938,884.71
Investments in affiliated companies:		
Stocks	$ 31,389,082.81	
Bonds	1,496,737.32	
Notes	6,189,965.47	
Advances	4,747,990.10	43,823,775.70
Other investments:		
Stocks	$ 255,510.00	
Bonds	4,474,393.35	
Notes	221,446.73	
Miscellaneous	275.00	4,951,625.08
Total investments (capital assets)		$584,904,049.66
Current assets:		
Cash	$ 28,419,516.59	
Time drafts and deposits	51,035.98	
Special deposits	90,642.73	
Loans and bills receivable	84,576.76	
Traffic and car-service balances receivable	2,050,070.69	
Net balance receivable from agents and conductors	3,987,938.39	
Miscellaneous accounts receivable	6,011,569.00	
Material and supplies	15,503,525.44	
Other current assets	940,273.37	
Total current assets		$ 57,139,148.95
Deferred assets:		
Working fund advances	$ 217,421.02	
Other deferred assets	356,042.13	
Total deferred assets		573,463.15
U. S. Government assets		41,973.00
Unadjusted debits:		
Insurance premium paid in advance	$ 151,106.48	
Discount on funded debt	4,042,759.73	
Other unadjusted debits	18,932,806.31	
Total unadjusted debits		23,126,672.52
Grand total		$665,785,307.28

GENERAL BALANCE SHEET

December 31, 1922

LIABILITIES

Capital stock:		
Common Stock		$170,839,100.00
Long term debt:		
Bonds held by the public	$203,200,000.00	
Bonds owned by the Company, unpledged	11,556,000.00	
Total	$214,756,000.00	
Less bonds held by or for the Company, included in above	11,556,000.00	
Total long term debt		203,200,000.00
Total capital liabilities		$374,039,100.00
Current liabilities:		
Traffic and car-service balances payable	$ 2,921,426.25	
Audited accounts and wages payable	11,734,309.47	
Miscellaneous accounts payable	582,788.04	
Interest matured unpaid	1,045,522.00	
Funded debt matured unpaid	11,600.00	
Unmatured interest accrued	1,761,216.66	
Other current liabilities	1,290,581.35	
Total current liabilities		$ 19,347,443.77
Deferred liabilities:		
Other deferred liabilities	$ 100,548.56	
Total deferred liabilities		$ 100,548.56
U. S. Government deferred liabilities		$ 957,105.03
Unadjusted credits:		
Tax liability	$ 8,274,578.25	
Insurance reserves	1,563,540.25	
Operating reserves	4,526,253.87	
Accrued depreciation—Equipment	61,462,294.94	
Other unadjusted credits	4,078,126.64	
Total unadjusted credits		$79,904,793.95
Corporate surplus:		
Additions to property through income and surplus	$ 119,773.77	
Funded debt retired through income	42,867,190.00	
Sinking fund reserves	202,711.63	
Profit and loss	148,246,640.57	
Total corporate surplus		$191,436,315.97
Grand total		$665,785,307.28

INCOME ACCOUNT

Year Ended December 31, 1922

OPERATING INCOME.		
Railway operating revenues:		
Transportation:		
Freight	$121,388,901.62	
Passenger	28,380,103.84	
Excess baggage	324,234.43	
Parlor and chair car	147.68	
Mail	4,258,311.92	
Express	3,948,338.83	
Other passenger train	267,043.14	
Milk	922,278.29	
Switching	2,445,543.99	
Special service train	90,523.74	
Other freight train	9,315.00	$162,034,742.48
Incidental:		
Dining and buffet	$ 891,148.40	
Hotel and restaurant	288,836.46	
Station and train privileges	15,258.71	
Parcel room	18,513.64	
Storage—Freight	88,670.80	
Storage—Baggage	21,793.38	
Demurrage	398,941.84	
Telegraph and telephone	163,943.27	
Stock yards	335,599.51	
Power	6,151.54	
Rent of buildings and other property	50,357.76	
Miscellaneous	182,527.85	$ 2,461,743.16
Joint facility—Cr	$ 432,510.06	
Joint facility—Dr	12,525.16	$ 419,984.90
Total railway operating revenues		$164,916,470.54
Railway operating expenses:		
Maintenance of way and structures	$ 20,769,379.25	
Maintenance of equipment	35,735,413.56	
Traffic	2,267,367.08	
Transportation	62,875,593.06	
Miscellaneous operations	1,693,321.01	
General	4,277,202.73	
Transportation for investment—Credit	840,573.59	$126,777,703.10
Net revenue from railway operations		$ 38,138,767.44
Railway tax accruals	$ 10,890,006.82	
Uncollectible railway revenues	31,338.17	$ 10,921,344.99
Railway operating income		$ 27,217,422.45

Railway operating income			$ 27,217,422.45
NON-OPERATING INCOME:			
Hire of equipment		$ 454,226.60	
Joint facility rent income		522,937.85	
Income from lease of road		1,727.04	
Miscellaneous rent income		740,137.56	
Miscellaneous nonoperating physical property		Dr. 18,754.21	
Dividend income		1,018,537.00	
Income from funded securities		180,858.00	
Income from unfunded securities and accounts		1,167,103.67	
Miscellaneous income		380,626.11	4,447,399.62
Gross income			$ 31,664,822.07
DEDUCTIONS FROM GROSS INCOME:			
Hire of equipment		$ 1,192,169.77	
Joint facility rents		1,850,243.59	
Rent for leased roads		101,148.69	
Miscellaneous rents		20,147.48	
Miscellaneous tax accruals		12,975.07	
Interest on funded debt		8,119.271.00	
Interest on unfunded debt		10,904.50	
Amortization of discount on funded debt		95,474.06	
Miscellaneous income charges		1,000.00	11,403,334.16
Net income			$20,261,487.91
DISPOSITION OF NET INCOME:			
Income applied to sinking funds		$ 294,250.46	
Dividend appropriations of income:			
5 per cent June 26	$8.541,850.00		
5 per cent Dec. 26	8,541,850.00	17,083,700.00	$ 17,377,950.46
Income balance transferred to profit and loss			$ 2,883,537.45

NET RAILWAY OPERATING INCOME

As reported to the Interstate Commerce Commission for the year 1922 in conformance with the requirement of the Transportation Act relating to return of excess earnings.

Railway Operating Income		$27,217,422.45
NON-OPERATING INCOME:		
Hire of equipment	$454,226.60	
Joint facility rents	522,937.85	977,164.45
		$28,194,586.90
DEDUCTIONS FROM RAILWAY OPERATING INCOME:		
Hire of equipment	$1,192,169.77	
Joint facility rents	1,850,243.59	3,042,413.36
Net Railway Operating Income		$25,152,173.54

FUNDED DEBT OF THE CHICAGO,

Designation of obligation	Term		Total par value authorized
	Date of issue	Date of maturity	
MORTGAGE BONDS			
First and Refunding Mortgage: Series A	Aug. 1, 1921	Feb. 1, 1971	$30,000,000
General Mortgage	Mar. 2, 1908	Mar. 1, 1958	75,120,000
Illinois Division Mortgage	July 1, 1899	July 1, 1949	50,835,000
Illinois Division Mortgage	July 1, 1899	July 1, 1949	34,165,000
Nebraska Extension Mortgage (Sinking Fund)	May 2, 1887	May 1, 1927	29,441,000
COLLATERAL TRUST BONDS			
Denver Extension (Sinking Fund)	Dec. 1, 1881	Feb. 1, 1922	7,968,000
EQUIPMENT OBLIGATIONS			
Equipment Trust (U. S. R.R.A. No. 18): Gold Notes	Jan. 15, 1920	$404,000, Jan. 15 each year to 1935	6,060,000
Total			$233,589,000

BURLINGTON & QUINCY RAILROAD COMPANY

Total nominally or actually outstanding	Nominally outstanding held in treasury	Actually outstanding in hands of public	Interest		
			Rate	When payable	Accrued during year on bonds actually outstanding
$30,000,000	....	$30,000,000	5	F. & A.	$1,337,500.00
75,120,000	$ 9,873,000	65,247,000	4	M. & S.	2,609,880.00
50,835,000	384,000	50,451,000	3½	J. & J.	1,765,785.00
34,165,000	189,000	33,976,000	4	J. & J.	1,359,040.00
19,384,000	1,110,000	18,274,000	4	M. & N.	730,901.66
....	....	....	4	F. & A.	34.34
5,252,000	....	5,252,000	6	15th day J. & J.	316,130.00
$214,756,000	$ 11,556,000	$203,200,000	....	....	$8,119,271.00

NOTE: Denver Extension Bonds fully matured in 1922.

DESCRIPTION OF FUNDED DEBT

The total par value of unmatured funded debt nominally or actually outstanding is:

In hands of public	$203,200,000
Held in treasury	11,556,000
	$214,756,000

First and Refunding Mortgage

This mortgage is a lien on the total mileage of main and branch lines owned by this Company, having an aggregate length of 8,971.52 miles, situated in the States of Illinois, Wisconsin, Minnesota, Iowa, Missouri, Nebraska, Kansas, Colorado, South Dakota, Wyoming and Montana, and on all property and equipment appurtenant thereto, and includes its terminals in Chicago, Aurora, Galesburg, Peoria and East St. Louis in Illinois; St. Paul and Winona in Minnesota; St. Louis, Hannibal, Kansas City and St. Joseph in Missouri; Clinton, Dubuque, Burlington, Ottumwa, Des Moines and Council Bluffs in Iowa; Omaha and Lincoln in Nebraska; Denver in Colorado; and elsewhere. This lien is subject to the prior liens of the mortgages described below.

	Miles
The mortgage covers	8,971.52
Of which there are subject to prior liens	
Of the General Mortgage only	5,370.74
Of the General Mortgage and the Illinois Division Mortgage	1,646.13
Of the General Mortgage and the Nebraska Extension Mortgage	1,471.41

There are also pledged, as further security for bonds issued under this mortgage, all right and title of this Company to the stock, which it now owns, of bridge, depot and terminal companies, and of the Davenport, Rock Island and Northwestern Railway Company and The Colorado and Southern Railway Company; 305,262 shares of the latter being subject, also, to the lien of the General Mortgage; and 7,000 shares of the Chicago Union Station Company being subject to the lien of the Illinois Division Mortgage.

Series A bonds issued under this mortgage may be redeemed by the Company on 60 days' notice, on any interest date, as follows: at 107½ and accrued interest, February 1, 1942, to August 1, 1951; at 105 and accrued interest, February 1, 1952, to August 1, 1961; at 103 and accrued interest, February 1, 1962, to maturity.

Changes during year.

Series A bonds issued and sold	$30,000,000

General Mortgage

This mortgage is a lien on 8,488.28 miles of this Company's main and branch lines, including terminals, equipment and property appurtenant thereto, situated in the States of Illinois, Wisconsin, Minnesota, Iowa, Missouri, Nebraska, Kansas, Colorado, South Dakota, Wyoming and Montana, subject, as to a certain part, to the lien of the Illinois Division Mortgage, and, as to another part, to the lien of the Nebraska Extension Mortgage.

	Miles
The mortgage covers	8,488.28
Of which there are subject to prior liens	
Of the Illinois Division Mortgage	1,646.13
Of the Nebraska Extension Mortgage	1,471.41

This mortgage is also secured by the deposit, with the Trustee, of 305,262 shares of the capital stock of The Colorado and Southern Railway Company.

No changes during year

Illinois Division Mortgage

This mortgage is a first lien on the following mileage and on the Company's terminals in Chicago and points on and east of the Mississippi River:

	Miles
Chicago, Ill., to Burlington, Iowa	203.94
Galesburg, Ill., to Quincy, Ill	99.91
South Aurora, Ill., to St. Paul, Minn	379.41
Rock Island, Ill., to East Alton, Ill	226.85
South Aurora, Ill., to West Chicago, Ill	12.27
Aurora, Ill., to Geneva, Ill	7.54
Montgomery, Ill., to Streator, Ill	57.55
Streator, Ill., to Walnut Junction, Ill	59.49
Sheridan Junction, Ill., to Paw Paw, Ill	19.54
Mendota, Ill., to Savanna, Ill	80.86
Buda, Ill., to Elmwood, Ill	44.82
Yates City, Ill., to Rushville, Ill	62.79
Galva, Ill., to New Boston, Ill	50.63
Galesburg, Ill., to Peoria, Ill	52.77
Galesburg, Ill., to Rio, Ill	12.22
Gladstone, Ill., to Arpee, Ill	23.38
Carthage Junction, Ill., to Quincy, Ill	71.21
Quincy, Ill., to East Louisiana and East Hannibal, Ill	46.33
Shabbona, Ill., to Barstow, Ill	88.42
Flag Center, Ill., to Rockford, Ill	23.50
Oregon, Ill., to Forreston, Ill	17.96
Galena Junction, Ill., to Galena, Ill	3.82
East Clinton, Ill., to Clinton, Iowa	.39
East Dubuque, Ill., to Dubuque, Iowa	.53
Total	1,646.13

These bonds may be redeemed by the Company on six months' notice, at 105 and accrued interest, upon any interest day after July 1, 1929.

No changes during year

Nebraska Extension Mortgage

	Miles
This mortgage is a first lien on a section of the Republican Valley R. R., from Hastings to Aurora, Neb.	27.75
And on a section of the Grand Island & Wyoming Central R. R., from Grand Island to Alliance, Neb.	269.16
And is also secured by the deposit, with the Trustee, of $23,494,200 of the first mortgage bonds of the railroad companies whose roads are described below, viz.:	
Nebraska & Colorado R. R.	
De Witt, Neb., via Strang, Blue Hill and Holdrege, to west line of Nebraska	298.32
Fairmont, Neb., via Strang, to Chester, Neb	45.19
Edgar, Neb., to Superior, Neb	26.53
Kenesaw, Neb., via Holdrege, to Oxford, Neb	60.67
Omaha & North Platte R. R.	
Omaha, Neb., via Ashland, to Schuyler, Neb	80.59
Lincoln & Black Hills R. R.	
Central City, Neb., to Ericson, Neb	62.94
Palmer, Neb., to Arcadia, Neb	53.61
Greeley Center, Neb., to Burwell, Neb	40.38
Colorado & Wyoming R. R.	
From Junction with Nebraska & Colorado R. R., on west line of State of Nebraska to Junction with Cheyenne & Burlington R. R., on the south line of Wyoming	144.58
Cheyenne & Burlington R. R.	
From Junction with Colorado & Wyoming R. R., as above, to Cheyenne, Wyo	29.01
Oxford & Kansas R. R.	
Orleans, Neb., to a Junction with the Beaver Valley R. R., on the south line of the State of Nebraska	59.61
Beaver Valley R. R.	
From a Junction with the Oxford & Kansas R. R., as above, to St. Francis, Kan	74.18
Chicago, Nebraska & Kansas R. R.	
Odell, Neb., to Concordia, Kan	71.49
Republican Valley, Kansas & Southwestern R. R.	
Republican City, Neb., to Oberlin, Kan	78.23
Republican Valley & Wyoming R. R.	
Culbertson, Neb., to Imperial, Neb	49.17
Total	1,471.41

Sinking fund is 1 percent of the par value of all bonds issued payable annually on May 1, and is to be invested in bonds of this issue at a maximum price of 110 and accrued interest, the bonds so purchased to be canceled. If in any year sufficient bonds to absorb the fund cannot be purchased on proposals at or under the maximum price, any unexpended remainder of the sinking fund payment is to be returned to the general funds of the Company, and its obligation to purchase bonds during that year therewith ceases.

Changes during year

Purchased from company for sinking fund and canceled.......$306,000

Equipment Trust

This Trust is a first lien on the following equipment:

1,000 gondola cars, Nos. 188000-188999.
500 box cars, Nos. 120500-120999.
10 Santa Fe locomotives, Nos. 6300-6309.
15 Mikado locomotives, Nos. 5500-5514.
10 light switch locomotives, Nos. 500-509.
10 heavy switch locomotives, Nos. 540-549.

The notes issued under this Trust Agreement are payable in annual installments of $404,000 on January 15th of each year to 1935.

Changes during year

Notes maturing January 15, 1922, purchased and cancelled, $404,000.

COMPARATIVE STATEMENT OF RAILWAY OPERATING REVENUES FOR YEARS ENDED DECEMBER 31,

	1922	1921	INCREASE	DECREASE
TRANSPORTATION:				
Freight	$ 121,388,901.62	$ 122,716,630.31		$ 1,327,728.69
Passenger	28,380,103.84	31,396,048.50		3,015,944.66
Excess baggage	324,234.43	330,445.75		6,211.32
Parlor and chair car	147.68	4,453.42		4,305.74
Mail	4,258,311.92	4,332,770.88		74,458.96
Express	3,948,338.83	3,630,851.56	$ 317,487.27	
Other passenger train	267,043.14	449,330.55		182,287.41
Milk	922,278.29	884,947.58	37,330.71	
Switching	2,445,543.99	1,969,128.25	476,415.74	
Special service train	90,523.74	86,125.74	4,398.00	
Other freight train	9,315.00	1,560.00	7,755.00	
Total	$ 162,034,742.48	$ 165,802,292.54		$ 3,767,550.06
INCIDENTAL:				
Dining and buffet	$ 891,148.40	$ 997,779.83		$ 106,631.43
Hotel and restaurant	288,836.46	365,219.87		76,383.41
Station and train privileges	15,258.71	12,971.88	$ 2,286.83	
Parcel room	18,513.64	20,600.17		2,086.53
Storage—Freight	88,670.80	130,408.57		41,737.77
Storage—Baggage	21,793.38	25,643.16		3,849.78
Demurrage	398,941.84	468,476.04		69,534.20
Telegraph and telephone	163,943.27	224,822.25		60,878.98
Stock yards	335,599.51	221,264.89	114,334.62	
Power	6,151.54		6,151.54	
Rent of buildings and other property	50,357.76	70,115.16		19,757.40
Miscellaneous	182,527.85	209.363.19		26,835.34
Total	$ 2,461,743.16	$ 2,746,665.01		$ 284,921.85
Joint facility—Cr.	$ 432,510.06	$ 167,061.56		$ 256,674.30
Joint facility—Dr.	12,525.16	3,750.96		8,774.20
Total	$ 419,984.90	$ 163,310.60		$ 265,448.50
Total railway operating revenues	$ 164,916,470.54	$ 168,712,268.15		$ 3,795,797.61

COMPARATIVE STATEMENT OF RAILWAY OPERATING EXPENSES FOR YEARS ENDED DECEMBER 31,

	1922	1921	Increase	Decrease
Maintenance of Way and Structures				
Superintendence	$1,404,665.86	$1,434,142.23		$ 29,476.37
Roadway maintenance	2,414,270.83	2,413,240.51	$ 1,030.32	
Tunnels and subways	3,766.98	Cr. 2,204.87	5,971.85	
Bridges, trestles and culverts	761,202.00	812,405.85		51,203.85
Ties	3,824,507.02	3,960,446.56		135,939.54
Rails	968,741.70	1,037,264.75		68,523.05
Other track material	1,321.214.45	1,607,533.40		286,318.95
Ballast	252,395.32	283,295.87		30,900.55
Track laying and surfacing	4,780,857.67	6,114,180.99		1,333,323.32
Right-of-way fences	212,342.66	208,898.39	3,444.27	
Snow and sand fences and snowsheds	16,114.27	25,733.69		9,619.42
Crossings and signs	280,178.74	445,150.87		164,972.13
Stations and office buildings	954,708.55	638,938.58	315,769.97	
Roadway buildings	102,567.09	53,671.94	48,895.15	
Water stations	310,586.60	360,564.15		49,977.55
Fuel stations	95,287.70	99,399.08		4,111.38
Shops and engine houses	628,940.57	550,444.62	78,495.95	
Storage warehouses	154.37	.51	153.86	
Wharves and docks	9,332.75	Cr. 96.70	9,429.45	
Telegraph and telephone lines	454,071.50	463,384.64		9,313.14
Signals and interlockers	383,603.65	360,067.69	23,535.96	
Power plant buildings	8,860.77	12,564.96		3,704.19
Power distribution systems	6,593.02	6,189.36	403.66	
Power line poles and fixtures	4,413.38	1,950.20	2,463.18	
Miscellaneous structures	351,661.24	123,239.35	228,421.89	
Paving	2,630.43	Cr. 7,110.55	9,740.98	
Roadway machines	173,125.73	176,931.45		3,805.72
Small tools and supplies	203,130.19	192,695.49	10,434.70	
Removing snow, ice and sand	87,024.75	82,771.49	4,253.26	
Assessments for public improvements	16,006.88	20,299.44		4,292.56

ERRATA

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"Joint Facility, Cr.", $256,674.30 should be $265,448.50 and appear in "Increase" column.

"Total" (Joint Facility), $265,448.50 should be $256,674.30 and appear in "Increase" column.

Injuries to persons	188,436.45	249,989.43		61,552.98
Insurance	200,276.62	185,116.79	15,159.83	
Stationery and printing	37,253.05	38,627.35		1,374.30
Other expenses	1,905.72	1,552.41	353.31	
Maintaining joint tracks, yards and other facilities—Dr.	813,013.02	885,711.59		72,698.57
Maintaining joint tracks, yards and other facilities—Cr.	504,462.28	80,775.96		585,238.24
Total	$ 20,769,379.25	$ 22,917,767.47		$ 2,148,388.22
MAINTENANCE OF EQUIPMENT				
Superintendence	$ 804,296.76	$ 794,582.09	$ 9,714.67	
Shop machinery	723,237.76	767,400.07		44,162.31
Power plant machinery	97,112.37	89,105.63	8,006.74	
Steam locomotives—Repairs	11,808,307.30	11,643,914.29	164,393.01	
Steam locomotives—Depreciation	1,343,472.20	1,439,138.97		95,666.77
Steam locomotives—Retirements	Cr. 109,191.23	Cr. 18,975.00		90,216.23
Freight train cars—Repairs	12,821,536.01	13,181,843.40		360,307.39
Freight train cars—Depreciation	3,109,215.71	3,249,309.28		140,093.57
Freight train cars—Retirements	Cr. 266,074.38	Cr. 283,218.26	17,143.88	
Passenger train cars—Repairs	1,816,269.88	1,901,977.42		85.707.54
Passenger train cars—Depreciation	251,594.36	229,372.21	22,222.15	
Passenger train cars—Retirements	Cr. 6,681.52	Cr. 17,927.56	11,246.04	
Motor equipment of cars—Repairs	7,818.25	2,959.52	4,858.73	
Floating equipment—Repairs	26,000.29	4,246.15	21,754.14	
Floating equipment—Depreciation	645.44	645.36	.08	
Work equipment—Repairs	486,184.75	545,131.39		58,946.64
Work equipment—Depreciation	184,931.81	204,213.06		19,281.25
Work equipment—Retirements	351.21	11,550.97		11,199.76
Injuries to persons	200,095.83	124,577.90	75,517.93	
Insurance	234,172.28	238,792.77		4,620.49
Stationery and printing	27,115.37	26,522.02	593.35	
Other expenses	1,963,531.20	2,459.75	1,961,071.45	
Maintaining joint equipment of terminals—Dr.	212,919.53	162,333.39	50,586.14	
Maintaining joint equipment of terminals—Cr.	1,447.62	9,448.79	8,001.17	
Total	$35,735,413.56	$34,290,506.03	1,444,907.53	

COMPARATIVE STATEMENT OF RAILWAY OPERATING EXPENSES FOR YEARS ENDED DECEMBER 31,

	1922	1921	Increase	Decrease
Traffic				
Superintendence	$ 607,682.40	$ 617,301.49		$ 9,619.09
Outside agencies	918,362.40	792,526.21	$ 125,836.19	
Advertising	357,727.45	327,922.96	29,804.49	
Traffic associations	103,852.52	75,888.72	27,963.80	
Industrial and immigration bureaus	12,277.31	16,400.65		4,123.34
Insurance	369.63	191.36	178.27	
Stationery and printing	264,807.06	272,575.83		7,768.77
Other expenses	2,288.31	12.00	2,276.31	
Total	$ 2,267,367.08	$ 2,102,819.22	$ 164,547.86	
Transportation				
Superintendence	$ 1,343,927.85	$ 1,353,114.91		$ 9,187.06
Dispatching trains	794,095.32	922,382.23		128,286.91
Station employes	8,229,194.03	8,860,365.83		631,171.80
Weighing, inspection and demurrage bureaus	190,553.38	187,457.38	$ 3,096.00	
Station supplies and expenses	530,065.85	519,018.32	11,047.53	
Yardmasters and yard clerks	1,246,389.88	1,289,448.78		43,058.90
Yard conductors and brakemen	3,370,530.63	3,414,877.66		44,347.03
Yard switch and signal tenders	289,332.70	327,080.05		37,747.35
Yard enginemen	2,104,999.49	2,109,925.21		4,925.72
Fuel for yard locomotives	2,346,375.11	2,290,433.30	55,941.81	
Water for yard locomotives	159,766.40	158,992.86	773.54	
Lubricants for yard locomotives	23,287.34	2,563.92	20,723.42	
Other supplies for yard locomotives	42,348.21	41,114.09	1,234.12	
Enginehouse expenses—Yard	932,169.66	919,898.84	12,270.82	
Yard supplies and expenses	66,845.49	62,740.85	4,104.64	
Operating joint yards and terminals—Dr	2,027,232.07	1,691,318.06	335,914.01	
Operating joint yards and terminals—Cr	153,473.74	199,452.35	45,978.61	
Train enginemen	6,154,908.10	6,039,960.01	114,948.09	

Train motormen	4,591.55	4,916.84		325.29
Fuel for train locomotives	13,751,541.23	13,307,506.45	444,034.78	
Train power purchased	6,557.55	7,510.68		953.13
Water for train locomotives	642,070.53	658,129.35		16,058.82
Lubricants for train locomotives	203,708.21	86,567.66	117,140.55	
Other supplies for train locomotives	198,280.73	207,409.75		9,129.02
Enginehouse expenses—Train	2,933,417.03	2,784,170.60	149,246.43	
Trainmen	6,776,124.86	6,794,605.25		18,480.39
Train supplies and expenses	2,975,912,20	3,074,635.01		98,722.81
Signal and interlocker operation	513,422.63	455,772.75	57.649.88	
Crossing protection	341,795.37	398,868.29		57,072.92
Drawbridge operation	27,976.72	32,651.16		4,674.44
Telegraph and telephone operation	462,389.28	493,022.29		30,633.01
Operating floating equipment	4,716.95	11,656.75		6,939.80
Stationery and printing	325,584.53	354,314.96		28,730.43
Other expenses	1,789,656.04	148,226.37	1,641,429.67	
Operating joint tracks and facilities—Dr	476,916.52	490,391.07		13,474.55
Operating joint tracks and facilities—Cr	298,738.16	383,428.13	84,689.97	
Insurance	177,040.20	199,600.53		22,560.33
Clearing wrecks	130,271.81	180,398.73		50,126.92
Damage to property	126,353.89	594,893.52		468,539.63
Damage to live stock on right-of-way	60,860.53	130,724.74		69,864.21
Loss and damage—Freight	766,541.38	2,470,620.98		1,704,079.60
Loss and damage—Baggage	5,202.10	Cr. 774.15	5,976.25	
Injuries to persons	774,851.61	1,070,385.34		295,533.73
Total	$62,875,593.06	$63,564,016.74		$688,423.68

MISCELLANEOUS OPERATIONS

Dining and buffet service	$1,144,028.14	$1,183,045.14		39,017.00
Hotels and restaurants	265,540.53	369,240.33		103.699.80
Stockyards	278,863.55	182,455.43	96,408.12	
Producing power sold	4,888.79		4,888.79	
Total	$1,693,321.01	$1,734,740.90		$41,419.89

COMPARATIVE STATEMENT OF RAILWAY OPERATING EXPENSES FOR YEARS ENDED DECEMBER 31,

	1922	1921	Increase	Decrease
General				
Salaries and expenses of general officers	$ 328,623.09	$ 328,305.84	$ 317.25	
Salaries and expenses of clerks and attendants	2,145,383.32	2,751,952.76		$ 606,569.44
General office supplies and expenses	204,328.84	47,873.01	156,455.83	
Law expenses	399,745.46	365,919.93	33,825.53	
Insurance	18,794.15	19,257.15		463.00
Relief department expenses	151,018.90	147,460.98	3,557.92	
Pensions	303,934.87	119,275.50	184,659.37	
Stationery and printing	98,009.72	139,097.12		41,087.40
Valuation expenses	380,256.40	469,655.51		89,399.11
Other expenses	193,147.25	221,084.50		27,937.25
General joint facilities—Dr	55,143.28	32,108.15	23,035.13	
General joint facilities—Cr	1,182.55	3,998.59	2,816.04	
Total	$ 4,277,202.73	$ 4,637,991.86		$ 360,789.13
Transportation for investment—Credit	$ 840,573.59	$ 1,031,552.54	190,978.95	
Total operating expenses	$ 126,777,703.10	$ 128,216,289.68		$ 1,438,586.58
Operating ratio	76.87%	76.00%	.87	

THE COLORADO AND SOUTHERN RAILWAY COMPANY

COMPARATIVE STATEMENT OF INCOME

Years Ended December 31

Percent of Ry. Oper. Rev.	1922	RAILWAY OPERATING REVENUES	1921	Percent of Ry. Oper. Rev.
76.70	$ 10,121,548.15	................Freight................	$ 9,897,760.91	74.85
15.40	2,032,089.87	...............Passenger...............	2,394,204.57	18.10
1.64	216,597.05	.................Mail.................	173,036.35	1.31
1.91	252,659.87	................Express................	207,046.69	1.57
2.35	309,089.41	..........All other transportation..........	309,960.20	2.34
1.42	187,642.12	...............Incidental...............	203,300.72	1.54
.58	76,610.04	..............Joint facility..............	37,910.48	.29
100.00	$ 13,196,236.51	......Total railway operating revenues......	$ 13,223,219.92	100.00
		RAILWAY OPERATING EXPENSES		
14.90	$ 1,966,385.04	.....Maintenance of way and structures.....	$ 1,993,464.39	15.08
23.42	3,090,818.54	.........Maintenance of equipment.........	2,981,257.36	22.55
1.20	157,517.61	.................Traffic.................	146,129.21	1.11
38.18	5,038,956.93	.............Transportation.............	4,703,027.10	35.56
.94	124,105.49	..........Miscellaneous operations..........	108,556.88	.82
3.96	522,213.60	................General................	603,157.23	4.56
.04Cr.	5,332.21	....Transportation for investment—Credit....	11,701.88	Cr. .09
82.56	$ 10,894,665.00	......Total railway operating expenses......	$ 10,523,890.29	79.59
17.44	$ 2,301,571.51	.....Net revenue from railway operations.....	$ 2,699,329.63	20.41
....	$ 829,853.05	...........Railway tax accruals...........	$ 758,972.23	....
....	3,660.68	........Uncollectible railway revenue........	7,642.99	....
....	$ 1,468,057.78	.........Railway operating income.........	$ 1,932,714.41	....
		NON-OPERATING INCOME		
....	$ 925,944.85	............Hire of equipment............	$ 264,720.23	....
....	24,110.25	..........Joint facility rent income..........	30,670.83	....
....	73,018.15	.........Miscellaneous rent income.........	62,799.86	....
....	2,025,869.90	.....Dividends and miscellaneous interest....	1,923,140.37	....
....	308.09	............Miscellaneous income...........	Dr. 1,779.44#	....
....	$ 3,049,251.24	........Total non-operating income........	$ 2,279,551.85	....
....	$ 4,517,309.02	...............Gross income...............	$ 4,212,266.26	....
		DEDUCTIONS FROM GROSS INCOME		
....	$ 1,270,112.74	............Hire of equipment............	$ 231,240.51	....
....	86,122.79	............Joint facility rents............	$ 93,070.57	....
....	113,969.24	...........Miscellaneous rents............	112,510.32	....
....	2,144,058.62	..........Interest on funded debt..........	2,139,025.50	....
....	1,314.06	.........Interest on unfunded debt..........	102.07	....
....	13,987.57	..Amortization of discount on funded debt..	13,603.56	....
....	52,984.93	.......Miscellaneous income charges.......	72,558.16#	....
....	$ 3,682,549.95	....Total deductions from gross income....	$ 2,662,110.69	....
....	$ 1,061,877.35	........Net railway operating income........	$ 1,903,794.39	....
....	$ 834,759.07	...............Net income...............	$ 1,550,155.57	....
		DISPOSITION OF NET INCOME		
....	$ 680,000.00	................Dividends................	$ 680,000.00	....
....	$ 680,000.00	.......Total appropriations of income.......	$ 680,000.00	....
....	$ 154,759.07	Income balance transferred to profit and loss	$ 870,155.57	....

#Includes "Lap over" items credited and charged by Federal Administration.

QUINCY, OMAHA & KANSAS CITY RAILROAD COMPANY

COMPARATIVE STATEMENT OF INCOME

Years Ended December 31

Percent of Ry. Oper. Rev.	1922	RAILWAY OPERATING REVENUES	1921	Percent of Ry. Oper. Rev.
68.39	$ 849,587.77	Freight	$ 884,698.84	67.71
23.13	287,338.84	Passenger	309,895.43	23.71
3.36	41,753.84	Mail	46,969.71	3.59
3.23	40,165.61	Express	33,320.86	2.55
1.63	20,288.69	All other transportation	20,499.67	1.57
.26	3,156.51	Incidental	11,434.85	.87
100.00	$ 1,242,291.26	Total railway operating revenues	$ 1,306,819.36	100.00
		RAILWAY OPERATING EXPENSES		
30.00	$ 372,713.14	Maintenance of way and structures	$ 433,418.17	33.16
17.28	214,712.78	Maintenance of equipment	223,276.43	17.08
.81	10,007.40	Traffic	11,660.75	.89
54.22	673,559.83	Transportation	707,123.60	54.12
2.17	26,935.37	General	34,014.02	2.60
.23Cr.	2,810.62	Transportation for investment—Credit	1,145.44	Cr. .09
104.25	$ 1,295,117.90	Total railway operating expenses	$ 1,408,347.53	107.76
4.25 Dr.	$ 52,826.64 Dr.	Net revenue from railway operations	Dr.$ 101,528.17	Dr. 7.76
....	$ 43,537.59	Railway tax accruals	$ 39,118.09	....
....	93.01	Uncollectible railway revenues	864.54	....
....	$ 96,457.24 Dr.	Railway operating income	Dr.$ 141,510.80	....
		NON-OPERATING INCOME		
....	$ 8,320.75	Hire of equipment	$ 9,668.89	....
....	338.27	Joint facility rent income	203.65	....
....	8,754.98	Miscellaneous rent income	3,978.51	....
....	4.31	Miscellaneous income	Dr. 3,585.59#	....
....	$ 17,418.31	Total non-operating income	$ 10,265.46	....
....	$ 79,038.93 Dr.	Gross income	Dr.$ 131,245.34	....
		DEDUCTIONS FROM GROSS INCOME		
....	$ 49,923.10	Hire of equipment	$ 36,366.34	....
....	30,597.28	Joint facility rents	27,667.89	....
....	....	Miscellaneous income charges	7,116.36#	....
....	$ 80,520.38	Total deductions from gross income	$ 71,150.59	....
....	$ 168,318.60 Dr.	Net railway operating income	Dr.$ 195,672.49	....
....	$ 159,559.31 Dr.	Income balance transferred to profit and loss	Dr.$ 202,395.93	....

#Includes "Lap over" items credited and charged by Federal Administration.